

JAMES STYLES

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1 Q. For fiscal year 2004, were all of
2 the -- the financial targets met?

3 A. I don't remember Tim. I believe
4 not.

5 Q. Do you have any idea what the
6 percentage was that was met?

7 A. I do not.

8 Q. On -- on the next page.

9 A. Uh-huh.

10 Q. Can -- can you explain what this --
11 this represents?

12 A. Yeah, there's upsize and downsize to
13 your target. When you have targets in AMIP it's
14 not a -- it's not a black/white missed it, made it
15 type of thing. I mean, if -- if you
16 underperformed in a particular category, you'd get
17 a percentage for the effort, if you will. So if
18 you got only, say, 90 percent of your revenue
19 target, from a payout standpoint that would equate
20 to 80 percent of that one function of that one
21 component of AMIP. It could also have upside
22 potential. So if you did 110 percent of revenue,
23 you'd get 120 percent of that particular item
24 within AMIP. So it's -- it's accounting for the

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1 fact that you're not going to get exactly the
2 target and reward you for surpassing. It will
3 give you some credit for a contribution even
4 though you -- you didn't hit the exact target.

5 Q. Okay. What about the next page?

6 A. Same thing, earnings per share, same
7 concept. So in this particular year looks like
8 earnings per share target was \$2.78. If CSC ended
9 at \$2.89 of your payout for that particular item,
10 would be 110 percent.

11 Q. Okay. So EPS, where at the top,
12 where it says EPS achievement payout scale, EPS
13 stands for earnings per share?

14 A. Yes, it does.

15 Q. Okay.

16 A. CSC earnings per share.

17 Q. And the last page, what is this
18 form?

19 A. This is a work sheet. This is --
20 pardon me -- everybody who's going through AMIP is
21 supposed to have this done for them. And in the
22 top section, it captures the logistic data. You
23 know, who the employee is, what their employee
24 number is, internal tracking things such as

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1 department profit center, call center, their
2 numbers that are associated with who you are and
3 where you are in the organization. On the -- some
4 of the pertinent things to AMIP are in that first
5 section near the bottom left, employees base
6 salary, because this is a -- is pre-populated with
7 macros. So if you start putting data in the top,
8 it starts populating in -- in different --
9 different parts of the -- of the form. So some of
10 the pertinent things are like employees base
11 salary goes in there because your AMIP is a
12 percentage of base salary. And the other
13 important thing from a financial standpoint are
14 things on the right, which is the bonus potential,
15 financial goals, the bonus potential. So if --if
16 I get 30, my AMIP is 30 percent, you put
17 30 percent in there. And the bottom right in that
18 top section is the number of months somebody was
19 in the plan. So if somebody was in the plan for
20 just six months, you'd put six there because it
21 would do the math for you. So if you -- you only
22 got 6 out of 12 months, it would automatically
23 populate that in here.

24 Q. Okay.

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1 A. Then at the end of the -- so what
2 you're supposed to do is populate all that stuff
3 at the top. And then in the next section, the
4 financial objectives, you're supposed to put what
5 the objectives are, you know, what are your
6 targets, and as well as the team and individual
7 objectives. Then this is supposed to go to the
8 individual. You see the second to bottom section,
9 incentive plan acknowledgment?

10 Q. Yes.

11 A. Whoever's in AMIP is supposed to get
12 this so they know what their targets are, and then
13 they sign-off on this, and say I -- I get it, I
14 understand. Then this form is used again at the
15 end of the year when we know how we did as a
16 business. And we put in what our actual was, and
17 then the form does the calculations for you. It
18 takes into account how'd you do against the goals,
19 what is your salary, how long you were in AMIP,
20 what's your -- the percentage AMIP to begin with.
21 And then numbers just show up in there. And at
22 the bottom it would say this is -- this is what
23 your -- this is what you get.

24 Q. Okay.

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1 A. It -- it's an important form.

2 Q. Under financial objectives, EPS

3 stands for earning per share, correct?

4 A. Correct.

5 Q. And the next four are

6 self-explanatory. But what does ROI stand for?

7 A. Return on investment.

8 Q. Okay. And all these financial

9 objectives, if you look over to the right, are

10 added up and they total 100 percent, correct?

11 A. Yes.

12 Q. And down below in the individual

13 objectives there's no percentage there, correct?

14 In -- where it says team and individual

15 objectives, the box --

16 A. Yeah.

17 Q. -- down further?

18 A. Well, it does at the bottom. It --

19 you see balance remaining to allocate 100 percent.

20 Q. Okay.

21 A. This is -- it's a little confusing.

22 And what it means is financial objectives, 100

23 percent means a 100 of your 80 percent.

24 Q. Okay. Okay, so --

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1 A. We got wrapped around that actual
2 one, as well, can you just put 80 percent and 20
3 percent near the bottom. But I -- I don't know
4 why they did it that way. I'm sure there's --
5 there's a good reason for it, but it just got
6 confusing.

7 Q. Okay.

8 A. 100 percent in financial objectives
9 mean 100 percent of the 80 percent, and the 100
10 percent in team and individual objectives is 100
11 percent of the 20 percent. The reason you don't
12 have 20 percent in those sections is you can have
13 more -- the number of objectives under team and
14 individual is up to the -- the leader. These --
15 the objectives in financial objectives we have no
16 say over.

17 As -- if you're a leader in the
18 business unit these -- these are it, these have
19 been handed down. These are down from the
20 mountain top, you are going to do these things.
21 The things in the team and individual as a leader
22 you can put one objective in there, you can put
23 four, five, six, seven. It's -- it's up to you.

24 Q. So -- so it's your testimony that

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1 if -- if you go back to and look at the third
2 page, the AMIP matrix, that even though there's
3 nothing listed in the team and individual
4 objectives, it was still 20 percent of the total
5 weightment bonus for fiscal year 2004?

6 A. I'm sorry, Tim, try that again.

7 Q. Okay. You testified that -- that
8 on -- on this form here on the last page, that the
9 financial objectives were 80 percent of your --
10 your total AMIP --

11 A. That is correct.

12 Q. -- responsibility?

13 A. Correct.

14 Q. So if you go back and look at the --
15 at the third page where it says personal goals,
16 across the board, it totals 20 percent, correct?

17 A. That is correct.

18 Q. So is what you are saying, down
19 referring back to the last page, where it says
20 team and individual objectives, this would still
21 be 20 percent of the total?

22 A. That is correct.

23 Q. Okay.

24 THE WITNESS: Tim, can I use the

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1 men's room?

2 MR. WILSON: Let's take a break.

3 (Exhibits Styles-2 and Styles-3
4 marked for identification.)

5 (Recess at 9:58 a.m.)

6 (Resumed at 10:00 a.m.)

7 BY MR. WILSON:

8 Q. Just let me know when you are done
9 reviewing it.

10 A. Okay.

11 Q. Do you know what this document is?

12 A. I do not.

13 Q. Okay. That was easy.

14 And could you look at what's been
15 marked Styles-3?

16 A. Okay.

17 MR. SEEGULL: Tim, do you want to
18 ask him if he has ever seen this?

19 MR. WILSON: No. I want him to look
20 at it and, I mean, this one could be just as
21 brief. I just want to ask him something about --

22 MR. SEEGULL: I noticed --

23 MR. WILSON: -- the document.

24 MR. SEEGULL: -- his -- his name

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1 doesn't appear in --

2 MR. WILSON: Right.

3 MR. SEEGULL: -- the to or cc lines.

4 MR. WILSON: Right.

5 MR. SEEGULL: Maybe -- is there
6 something specific you want him to see?

7 BY MR. WILSON:

8 Q. Okay. Well, on the second page the
9 correspondence at the bottom that starts "Gus",
10 could you just read -- could you just read that
11 whole e-mail and if -- and if you need to read the
12 other e-mails to get an understanding as to what
13 is going on, that's fine.

14 A. (Witness complies.) Okay.

15 Q. You were not carbon copied or
16 addressed on any of these e-mails, correct?

17 A. That is correct. Well, I'm assuming
18 yes. Let me see. That is correct.

19 Q. Okay. Do you have any -- any
20 independent knowledge about what is being
21 discussed in these e-mails?

22 A. Yes.

23 Q. And what is being discussed?

24 A. They're considering the impact of --

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1 of -- well, first of all, they -- they're
2 considering how to go forward if we're going to
3 clean up AMIP, which is to establish that criteria
4 for -- reinforce the criteria for who should be in
5 there, and what to do around people who shouldn't
6 be in there. And that's what's being discussed
7 here.

8 And in addition to people being in
9 or out, there were also people who were getting
10 AMIP bonuses that were higher than what they were
11 supposed to be. I mean, you're supposed to have
12 maxes on your bonuses based on level. And we had
13 people who were at a director level who were
14 supposed to be at 30 percent max getting
15 50 percent, or, you know. So what there's -- what
16 John Walker's saying here, in addition to -- to --
17 who Gus is saying, you know, here's the levels
18 and -- and how many people are on these different
19 levels and, you know, broadly what we should be
20 doing. And John's saying, all right, but within
21 there, there's also some discrepancies. So
22 even -- even though, yes, you're saying directors
23 should get a bonus, there's people in there,
24 they're making a small contribution to the

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1 business that are getting a big bonus so we should
2 kind of ban that, you know, they should get
3 somewhere between zero to thirty, something like
4 that. And what they get between zero and thirty,
5 should depend on how big their job is. For a lack
6 of better term, that's what's being stated here.

7 Q. Okay. On the second page at the
8 e-mail that begins at the bottom.

9 A. Uh-huh.

10 Q. Where it says Gus, although I
11 believe we are exposing ourselves on the SS sixes,
12 do you have any knowledge as to what he's
13 referring to when he says exposing ourselves?

14 A. I can only -- I can only speculate.

15 MR. SEEGULL: I'm going to object.

16 Calls for speculation.

17 MR. WILSON: Okay. That's it.

18 EXAMINATION

19 MR. SEEGULL:

20 Q. I only have a couple brief
21 questions, Mr. Styles.

22 You said at one point that you had
23 said to Gus that all though the company doesn't
24 have to do this, that you thought it was fair for

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1 the company to pay employees for the six months up
2 between April of 2003 and September 2003.

3 A. That's correct.

4 Q. Why did you think that the company
5 didn't have to do that?

6 A. Why did I think they did not have
7 to?

8 Q. That's correct.

9 A. Okay. It's because in CSC policies
10 it stated that AMIP is something that you can be
11 removed from AMIP at any time, I think it states.
12 And, again, I'm speculating. I forget the exact
13 language of it. But, essentially, saying it's
14 CSC's discretion whether you should be in there or
15 not and whether we should pay that or not.

16 Q. And then payouts are not made until
17 the end of year, anyway, when it's earned, when
18 the financial targets are measured against the
19 goals, I mean, achievements?

20 A. Can I have that again, Larry?

21 Q. Yes. And that the reason that it
22 works that way is that the payout is made after
23 the close of the fiscal year when earnings are
24 measured against -- or earnings per share are

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1 measured against targets?

2 A. I don't know why that states it,
3 Larry, because you could -- you cannot make your
4 targets and still get a percentage, that's what
5 one of these charts are for, you know.

6 Q. And -- and -- and you get percentage
7 of the AMIP is what you are saying?

8 A. Right.

9 Q. But all -- all of that analysis as
10 to whether or not the AMIP is earned is done after
11 the close of the fiscal year?

12 A. That is correct. Well, no, not --
13 not whether you earned AMIP or not, it's
14 whether -- it's what percentage of your AMIP you
15 earned.

16 Q. How much of the AMIP has been
17 earned --

18 A. Correct.

19 Q. -- is done at the close of the
20 fiscal year?

21 A. That is correct.

22 Q. Now, you were at the company until
23 March 17th of 2006, approximately?

24 A. Yeah, it's -- it's about -- yeah, it

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1 was St. Patrick's Day.

2 Q. Okay. And were you eligible for
3 AMIP during the entire fiscal year 2006 up until
4 the time you left?

5 A. I was in the AMIP program, yes.

6 Q. Up until the time you left?

7 A. That is correct.

8 Q. And if you had remained through the
9 end of the fiscal year 2006, and the company had
10 achieved its objectives, and according to the
11 targets, you would have received an AMIP, correct?

12 A. That is correct.

13 Q. Did you receive an AMIP?

14 A. I did not.

15 Q. And why not?

16 A. I was not an employee by the time
17 they paid this out. So when they pay this out in
18 probably June, as they did last year, I'm not
19 employed, so I don't get it.

20 Q. Okay. And is that typical that
21 that's the way the company operates the AMIP
22 program?

23 A. If I'm no longer an employee, that
24 is correct.

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1 MR. SEEGULL: I have no further
2 questions.

3 MR. WILSON: Okay.

4 MR. SEEGULL: Thank you.

5 MR. WILSON: Thank you, Mr. Styles.

6 I Appreciate it.

7 (10:08 a.m.)

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1 I, Tracey L. Pinsky, Registered
2 Professional Reporter, certify that the foregoing
3 is a true and accurate transcript of the
4 deposition of JAMES STYLES, who was first sworn by
5 me at the time, place and on the date herein
6 before set forth.

7 I further certify that I am neither
8 attorney nor counsel for, not related to or
9 employed by, any of the parties to the action in
10 which this deposition was taken; further, that I
11 am not a relative or employee of any attorney or
12 counsel employed in this case, nor am I
13 financially interested in this action.

14

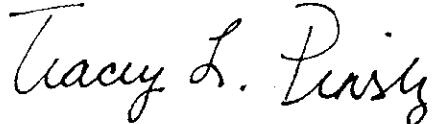
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Tracey L. Pinsky,



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Registered Professional Reporter

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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE
BRIAN MILLER, HECTOR CALDERON,)
CHARLES FOLWELL, DAWN M.)
HAUCK, KEVIN KEIR, ASHBY)
LINCOLN, KAREN MASINO, ROBERT)
W. PETERSON, SUSAN M. POKOISKI,)
DAN P. ROLLINS, and WILLIAM)
SPERATI,)
Plaintiffs,)
v.) C.A. No. 05-10-JJF
COMPUTER SCIENCES CORPORATION,)
Defendant.)

Telephonic deposition of RUSSELL H. OWEN taken pursuant to notice at the law offices of Margolis Edelstein, 1509 Gilpin Avenue, Wilmington, Delaware, beginning at 10:00 a.m., on Monday, May 8, 2006, before Kimberly A. Hurley, Registered Merit Reporter and Notary Public.

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1 RUSSELL H. OWEN,

2 the witness herein, having first been
3 duly sworn on oath, was examined and
4 testified as follows:

5 BY MR. WILSON:

6 Q. Good morning, Mr. Owen. Again, my name is
7 Tim Wilson, and I'm the attorney for the plaintiffs in
8 the case, Miller versus Computer Sciences Corporation.

9 Just so we make the record clear, we're
10 conducting this interview by telephone, correct?

11 A. Correct.

12 Q. Where are you today?

13 A. In Falls Church.

14 Q. Are you in Mr. Seegull's office?

15 A. Sitting with him, yes. No.

16 MR. SEEGULL: We're not in my office.

17 Q. Whose office are you in?

18 A. We're sitting in a library in Falls Church, and
19 I'm sitting with Mr. Seegull and Mr. Raimo.

20 Q. Is anybody else there with you?

21 A. No.

22 Q. Do you have any forms of communication
23 available to you as you sit there today; in other words,
24 do you have e-mail available to you or anything?